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S E C R E T SECTION 01 OF 02 AMMAN 002989

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TAGS: PREL KPAL IS JO IZ IR SY SUBJECT: QUEEN AND SENIOR OFFICIALS HIGHLIGHT CHALLENGES

DURING JORDANIAN-SPONSORED STAFFDEL

REF: A. AMMAN 1764 ¶B. AMMAN 1479

Classified By: Charge d, Affaires Daniel Rubinstein, Reasons 1.4 (B) & (D)

- 11. (C) SUMMARY: The Queen and senior GOJ officials told a GOJ-sponsored staffdel that the Israeli-Palestinian conflict was the core issue facing the Middle East. They warned against a sudden withdrawal from Iraq and discussed key challenges they perceive as facing Jordan: extremism, Syrian and Iranian behavior, and energy dependence. END SUMMARY.
- 12. (U) Ten House staffers sponsored by the Jordanian Embassy in Washington visited Jordan July 1-8. They met with senior government officials including Queen Rania, civil society activists and students. Highlights of their exchanges follow.

ISRAEL - PALESTINE IS THE "CORE" ISSUE -----

13. (C) Nearly every GOJ official addressing the staffdel underscored the centrality of the Israeli-Palestinian issue to the Middle East region. Queen Rania described it as "the wellspring of all troubles." Bassem Awadallah, Director of the King's Office, told the staffers that only the U.S. can resolve the issue, and encouraged the USG to advance the peace process by suggesting solutions. Prime Minister Marouf Bakhit and Foreign Minister Abdelelah al-Khatib called it the "core issue," and took the opportunity to push the Arab League's Arab Peace Initiative. General Intelligence Directorate Director Mohammad Dhahabi emphasized that the world must continue to support PA President Mahmoud Abbas, and that we cannot return to a Mecca Agreement-like unity government. Bakhit reiterated that Abbas is our only option, and the USG must lend its full support to the Palestinian Authority's new government led by Salam Fayyad.

WARNINGS AGAINST SUDDEN WITHDRAWAL FROM IRAQ

14. (C) GOJ officials unanimously warned against a quick withdrawal from Iraq, and instead pushed for Iraqi national reconciliation that includes all parties. PM Bakhit warned that sudden withdrawal would be a disaster. FM Khatib told staffers that leaving was not an option. Dhahabi warned that Iraqi Prime Minister Maliki is not working sufficiently towards reconciliation, and said that King Abdullah will not support a partition of Iraq.

MODERATES V. EXTREMISTS

15. (SBU) GOJ leaders described Jordan as a moderate Islamic nation that promotes moderate Islam through the Amman Message in the continuing struggle against fanaticism and extremism. Queen Rania emphasized that the U.S. must differentiate between Muslims and extremists, and must remember that all

Muslims are not suspects. She specifically referenced both real and perceived difficulties Muslim students and exchange visitors face in obtaining visas and upon arrival in the United States. Awadallah said that the battle between the moderates and the extremists will be the major challenge of the next decade.

IRAN, SYRIA AND COUNTER-TERRORISM

- 16. (S) GID Director Dhahabi warned that "Syria is the very lung through which Al-Qa'ida breathes," and emphasized the recalcitrance of the Asad regime in countering terrorism. He cited a number of incidents in which Syria knowingly facilitated or acquiesced to terrorist acts or attempts in Lebanon, Jordan and Iraq. Awadallah acknowledged that the international community cannot ignore Syria but must coordinate efforts to avoid rewarding the SARG, which misperceives engagement as support. He cited specifically visits from House Majority Leader Pelosi, the German Foreign Minister and British MI5 officers as unhelpful. Awadallah noted that French President Sarkozy raised the question of engagement with Syria during his July 4 meeting with King Abdullah.
- 17. (S) Awadallah told the staffdel that the Iranian-Syrian alliance remains a key Jordanian strategic concern. Dhahabi warned of Iranian nuclear expansionism, its continued support for Hizballah, and its growing role as protector of Shi'a in southern Iraq. He claimed that the director of Iran's intelligence service told him three months ago that Iran believes it can make or break any deal in Iraq. Dhahabi expressed continued GOJ concern regarding what he described as the warming relationship between Qatar and Iran.

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ENERGY

- 18. (SBU) Minister of Education Khalid Touqan briefed the staffdel on GOJ plans to develop peaceful nuclear energy (ref A). He detailed the process of extracting uranium from massive Jordanian phosphate reserves and described the perceived benefits: energy independence, profits from uranium and electricity exports, and cheaper energy to meet Jordan's growing demand. Touqan assured staffers that Jordan, as a member of the IAEA and signatory of the NPT, would abide by all safeguards and protocols.
- ¶9. (C) PM Bakhit and Minister of Planning Suhair Al Ali told the staffdel that Jordan imports nearly 100% of its oil, and the price of oil is wreaking havoc upon the Jordanian budget. Ali cited the \$220 million deficit associated with the current \$71/barrel price of oil. NOTE: Although the GOJ began phasing out subsidies for oil, it deferred earlier plans to completely eliminate oil subsidies and liberalize all fuel prices by March 2007, assuming a world crude oil price remaining at \$60/barrel or lower (Ref B). END NOTE. Awadallah acknowledged that the subsidies must be eliminated by February 2008.

DOMESTIC REFORMS AND CHALLENGES

110. (SBU) GOJ officials briefed staffers extensively on reforms passed in the last legislative session, including the municipal elections law, the political parties law, the press and publications law, and anti-corruption initiatives. Bassem Awadallah highlighted that King Abdullah is a reformer, and described Jordanian efforts to liberalize the economy including through the privatization of key Jordanian industries such as Royal Jordanian Airlines, electricity suppliers and its oil refinery.

111. (SBU) Staffers heard about key challenges facing Jordan:

its young workforce, a high unemployment rate, and Iraqis in Jordan. Minister of Planning Ali commented that the GOJ "has a responsibility to Jordanians first," though both she and Minister of Education Touqan emphasized that they would continue to provide assistance to Iraqis.

- 12. (U) Staffdel members were:
- 1 CHRISTOPHER BLANCHARD Congressional Research Services
 Analyst;
- 2 TIMOTHY BERGREEN Chief of Staff for Representative Adam Schiff;
- 3 ROB COGORNO Floor Director for Majority Leader Steny Hoyer;
- 4 BETSY HAWKINGS Chief of Staff for Representative Chris Shays;
- 5 CINDY HERLE Policy Advisor for House Minority Leader John Boehner;
- 6 MELANIE LOONEY Senior Policy Advisor and Counsel for Minority Whip Roy Blunt;
- 7 MIKAEL MOORE Chief of Staff for Representative Maxine Waters;
- 8 VEN NERALLA Legislative Director for Representative Barbara Lee;
- 9 WINSOME PACKER Staff Advisor to the Commission on Security and Cooperation and Europe and Chairman Hastings;
- 10 GREGG SHEIOWITZ Legislative Director for Representative Joseph Crowley.

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